



House of Commons  
Work and Pensions Committee

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**Child Maintenance  
Service**

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**Fourteenth Report of Session 2016–17**

*Report, together with formal minutes relating  
to the report*

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## Work and Pensions Committee

The Work and Pensions Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of the Office of the Department for Work and Pensions and its associated public bodies.

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### Committee staff

The current staff of the Committee are Adam Mellows-Facer (Clerk), Margaret McKinnon (Second Clerk), Ian Hart (Committee Specialist), Libby McEnhill (Committee Specialist), Rod McInnes (Committee Specialist), Alison Pickard (Senior Committee Assistant), Michelle Garratty (Committee Assistant), and Jessica Bridges-Palmer (Media Officer).

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## Summary

Child maintenance is support for a child's everyday living costs provided by one separated parent to the other. Children in single parent families are at greater risk of poverty than their counterparts living with both parents. Child maintenance is a vital source of income for many such families and can be important in the life chances of the children concerned.

The Government introduced a new system of child support in 2012. This aimed to encourage parents to come to collaborative family-based arrangements wherever possible. The statutory Child Maintenance System (CMS) is intended to act as a safety net, calculating and, where necessary, administering payments and taking enforcement action when required. The principles behind this approach are correct: parents should take responsibility for supporting their children. As with any new scheme, however, its early years of operation have uncovered problems that need to be addressed, and some with urgency.

### *Transition to the new scheme*

The legacy Child Support Agency (CSA) system is gradually being closed. CSA child maintenance cases are not moved directly into the CMS and case histories are not routinely transferred. Instead the CSA case is closed and parents are given the opportunity to make a fresh start before, if necessary, applying for statutory support. There is a balance, however, between starting afresh and ensuring payments are made to support children. We recommend that case histories of prolonged under-payment of child maintenance be transferred automatically from CSA to CMS. In instances where the CSA case included ongoing enforcement action, we recommend parents with care be permitted to opt to be placed immediately in the Collect and Pay scheme, which administers payments, on joining the CMS.

### *Fees for use of the CMS*

The 2012 scheme introduced fees designed to encourage parents to collaborate rather than necessarily relying on assistance from the CMS. Some parents who need support cannot, however, afford the £20 CMS application fee and may instead give up on pursuing maintenance payments altogether. We recommend that CMS applicants on means tested benefits be exempt from the £20 application fee. Furthermore, we find it difficult to justify charging an application fee to parents with care to transition legacy cases with a prolonged history of non-payment, especially as such cases appear a low priority for enforcement. Separate fees charged to both parents for using Collect and Pay are discouraging some parents who require the service. It is far from evident that the charges as configured are acting in the best interests of children and we recommend a review of whether they are increasing the number of more collaborative arrangements.

### *Victims of abuse*

There is a high prevalence of histories of domestic abuse in the statutory child maintenance caseload. Abuse, control and coercion can continue even when a relationship has ended. We welcome the waiver of the £20 fee for domestic abuse survivors but further changes are required to make the system safe and effective for survivors of domestic abuse and, ultimately, their children. A system that leaves victims with the choice of re-engaging with their abuser and risking further coercion and control, or declining money owed to them for their children, is clearly not working. We recommend all frontline CMS staff be given training on identifying and understanding domestic abuse and that parents with care in registered cases of domestic violence, or when it has been identified by CMS staff, should be able to proceed directly to the Collect and Pay service without charges.

### *Slipping through the net*

A high proportion of former CSA cases have not entered the CMS or been resolved by effective family-based arrangements. Families in these circumstances are disproportionately likely to be in the most vulnerable groups. We are concerned that many single parent families are simply slipping through the safety net. While amicable separations are typically self-managed, parents seeking the assistance of the state are likely to be those struggling to access support for their children. The CMS must seek to assist those families in difficulty. Monitoring must be improved to establish the extent to which parents are adequately supported in making child maintenance choices and whether incentives intended to result in better support for children are in fact having the opposite effect.

### *Arrears*

We deplore the non-payment of child maintenance, which can cause financial difficulty and immense stress to the parent with care, ultimately to the detriment of the child. Too many non-resident parents get away with prioritising second families, or worse still themselves, over children from a previous relationship. We understand that it is not cost-effective for the Government to pursue every case of arrears but it has made no clear statement of which cases it intends to take up. Failure to demonstrate that it is taking seriously the worst legacy cases of prolonged under-payment risks undermining trust in the new system. We recommend the Department clearly set out the criteria it uses for prioritising the collection of arrears, including any time or value thresholds, and how it intends to approach and resource tackling each category of arrears. We further recommend it informs parents with care if their arrears-only case will not be pursued.

### *Enforcement*

Parents do not themselves have recourse to the courts to enforce child maintenance payments. Instead they rely on the CMS to act on their behalf. The CMS is, however, tentative in deploying its extensive enforcement powers. This enables non-resident parents to get away with not making appropriate contributions to their children's

upbringing. It also signals to other non-resident parents that they may well be able to do the same. The CMS ought to strike fear into would-be evaders of parental responsibility and must take a stronger approach to enforcement. We recommend it adopt a presumption in favour of enforcement action when a payment has been missed, and proceed unless there is either evidence of a valid reason why or a credible reparative payment plan is in place.

### *Child maintenance cheats*

Unfortunately a minority of parents want to avoid paying fair child maintenance. Some use self-employment loopholes, creative accounting or fraudulent tax returns in order to do so. Such cases are often not a high priority for HMRC so we therefore welcome the creation and expansion of the DWP Financial Investigations Unit. Its reliance on tax return information will not, however, be sufficient to solve the problem of parents hiding income to minimise their liability. The trend towards greater self-employment means this problem is only likely to grow. We recommend that the Department reinstate provisions for parents to challenge child maintenance awards on the grounds of assets and lifestyle inconsistent with income.

Parents can currently apply to the CMS for a maintenance calculation which supersedes a court order that has been in place over 12 months. This has provided opportunity for some non-resident parents to replace maintenance payments that accurately reflect their means with those that greatly underestimate them. We recommend that, when an application for an assets or lifestyle variation has been made and a tribunal or court ordered higher maintenance payments than would arise from a standard CMS calculation, the higher payments should apply until the variation is dismissed. We further recommend that a small HMRC investigation team be embedded in the Financial Investigations Unit to work in tandem with the CMS, given the shared interest: child maintenance cheats are very often tax cheats too.

# Glossary

Term	Definition
Child maintenance	Financial or other support provided by a separated parent for any children for which they do not have primary day-to-day caring responsibility.
Child Maintenance Options (CMO)	Government body that provides free advice to separating parents. It encourages separated couples to “work together in the best interests of their children”.
Child Maintenance Service (CMS)	Government service that operates the new statutory child maintenance scheme established in 2012. The CMS is part of the Department for Work and Pensions (DWP).
Child Support Agency (CSA)	Government agency established to operate the first statutory child maintenance scheme in 1993. Its caseload is being closed with new applications for maintenance made to CMS.
Family Based Arrangement (FBA)	Arrangement for child maintenance agreed voluntarily between separated parents.
Parent With Care (PWC)	The separated parent with primary day-to-day caring responsibility for their children and so having a child maintenance entitlement.
Non-Resident Parent (NRP)	A separated parent who does not have primary day-to-day caring responsibility for the children and so having a child maintenance liability.
Statutory child maintenance	Government-run scheme for managing child maintenance between separated parents. The CSA Scheme, introduced in 1993, was replaced by the 2012 Scheme run by the CMS.



# 1 Introduction

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1. Child maintenance is support for a child's everyday living costs such as food, clothes and accommodation. It is provided by the separated parent who does not have day-to-day caring responsibility for the child, the non-resident parent (NRP), to the parent with that caring responsibility, the parent with care (PWC). Though child maintenance can include sharing the care of the child or buying things for them directly, it is usually provided in the form of a financial transfer between parents.

2. Children in single parent families are at greater risk of poverty than their counterparts living with both parents. DWP data show that double the proportion of children in low parent households live in severe low income and material deprivation, while 44% are in relative poverty after housing costs, compared with 24% of children who live with a couple.<sup>1</sup> Child maintenance is an important source of income for separated families, particularly at the lower end of the income scale.<sup>2</sup> A 2012 report by the Nuffield Foundation found that, of single parent families claiming benefits and receiving child maintenance, 19% were lifted above the poverty line by the maintenance.<sup>3</sup> Financial support for children, particularly where it contributes to them not spending a childhood in persistent poverty, can be an important factor in improving their life chances.<sup>4</sup>

3. The Department for Work and Pensions (the Department, DWP) told us that children also tend to have “better health, emotional wellbeing and higher academic attainment” when their parents can manage conflict well. The Government therefore encourages separated parents to come to their own financial arrangements, without the involvement of the state or the courts, wherever possible.<sup>5</sup> Most NRPs want to support their children financially, and the majority willingly do so.<sup>6</sup> Some parents are, however, unable to agree financial arrangements following separation and therefore require support from the state to do so. Some parents, unfortunately, wish to avoid their financial obligations to their children altogether. In these cases their former partner may be reliant on the state to enforce payment.

## History of statutory child maintenance

4. Statutory child maintenance in the United Kingdom was introduced in 1993 with the establishment of the Child Support Agency (CSA). Under this scheme, a parent could apply to the CSA to calculate a maintenance amount and manage payments. The CSA was beset by a range of operational, legal and policy problems and in 2006 the then Government commissioned Sir David Henshaw, the former Chief Executive of Liverpool City Council, to review it.<sup>7</sup>

5. The Henshaw report recommended a significant change of direction towards discouraging parents from using the statutory scheme and instead encouraging them to make their own maintenance arrangements. The review found the CSA was “severely

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1 DWP, [Households below average income: 1994/95 to 2014/15](#), 28 June 2016

2 Gingerbread ([CHM0090](#))

3 Nuffield Foundation et al, [Kids aren't free: The child maintenance arrangements of single parents on benefit in 2012](#), 2012. The poverty line is set at 60 per cent of the median household income of the UK population

4 DWP public consultation: [Supporting separated families; securing children's futures](#), July 2012

5 Department for Work and Pensions ([CHM0025](#))

6 Ibid

7 Sir David Henshaw [Recovering child support: routes to responsibility](#) Cm 6894 2006 p 16–17

damaged” and not “capable of the radical shift in business model, culture and efficiency required” to deliver the reformed model.<sup>8</sup> It therefore recommended a “clean break” with a new body set up to oversee the new system.<sup>9</sup>

6. In 2012 the Government brought forward changes to the child maintenance system. It said that “too many parents” had “come to see the CSA as the default option for arranging maintenance” and that a more effective approach would be “to support parents to reach their own arrangements wherever possible, with a new, efficient and effective statutory scheme providing a safety net where needed”. This safety net would be provided by a new statutory Child Maintenance Service (CMS), which would replace the CSA.<sup>10</sup>

7. The other main changes introduced in the 2012 scheme were:

- a) A compulsory gateway conversation with Child Maintenance Options (CMO) before applying to the CMS. This is intended to ensure parents consider a private maintenance agreement, known as a “family-based arrangement” (FBA), before opting for the statutory scheme. CMO provides free telephone and online public advice. Its services include a maintenance calculator and guidance on practical aspects of separation such as housing and benefits. It can also direct parents to more specialist services provided by other bodies.
- b) A new system of charges for using the statutory scheme, including an application fee, charges for using the CMS to administer payments (Collect and Pay) and enforcement charges.<sup>11</sup>
- c) A simplified formula for calculating maintenance payments in the CMS, using HM Revenue and Customs (HMRC) gross income data, rather than net income as in the old scheme.<sup>12</sup>

## Our inquiry

8. In March 2016 we held a private meeting with three mothers. They told us that they were not receiving the necessary financial support as PWCs from their ex-partners under the 2012 scheme and were distressed by an absence of support from the CMS in pursuing maintenance payments to which they were entitled. The mothers were all concerned this threatened their ability to provide for their children. Their experience corresponded with cases we have dealt with on behalf of our constituents and have been sent to us as a Committee.

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8 Ibid

9 Ibid

10 Public consultation: [Supporting separated families; securing children’s futures](#), July 2012. The [Child Maintenance and Other Payments Act 2008](#) introduced the new maintenance calculation formula and replaced the CSA with a non-departmental body, the Child Maintenance Enforcement Commission (CMEC). CMEC was subsequently abolished and its functions brought into the DWP under the [Public Bodies \(Child Maintenance Enforcement Commission: Abolition and Transfer of Functions\) Order 2012](#).

11 Under Direct Pay, maintenance payments are made directly from the Paying Parent’s bank account to the Receiving Parent’s. Under Collect and Pay, the CMS acts as an intermediary.

12 Department for Work and Pensions ([CHM0025](#))

9. Our inquiry focussed on three main areas which we address in this report:
- (1) the process of moving cases from the CSA to the 2012 scheme;
  - (2) the use of FBAs and access to the statutory scheme; and
  - (3) the use of enforcement powers by CMS, particularly in cases of avoidance.

In addition to the three mothers, our evidence programme included five parents with direct experience of statutory child maintenance.<sup>13</sup> We also received a large number of written submissions from individual parents. We would like to thank all those who contributed to this inquiry, particularly those parents who told us about their personal experiences.

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<sup>13</sup> This included one fellow Member of Parliament, who provided evidence in private on her experiences of the system.

## 2 Transition from the Child Support Agency

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### Transfer of cases to the 2012 scheme

10. There are currently three statutory child support schemes operating in Great Britain: 1993 and 2003 legacy schemes administered by the CSA and the new 2012 scheme, open to new applicants and administered by the CMS. The Government is introducing the 2012 scheme in phases, an approach that was praised by the Public Accounts Committee.<sup>14</sup> The CMS began receiving a small number of new cases in December 2012 and took on all new applications from November 2013. The process of transitioning existing CSA cases is underway and scheduled for completion by the end of 2017.<sup>15</sup> In keeping with the recommendation of the Henshaw report, cases are not directly transferred between schemes: the CSA case is closed and a new application, if necessary, is made to the CMS.<sup>16</sup>

11. When a case is selected for closure, the existing claimant (the PWC) receives a letter with a specified closure date in six to nine months' time.<sup>17</sup> Parents must then have a consultation with CMO before they can make an application to the CMS. CMO encourages them to establish a FBA and not to continue in the statutory scheme if possible.<sup>18</sup> After the consultation, a PWC can then decide whether to open a new CMS case or not. There can be a substantial delay between the CSA case closing and the new CSA case opening, meaning there can be a break in payments even if the liability continues. We heard a number of concerns about access to the statutory scheme and consider these in more detail in chapter 3.

### Case histories and Collect and Pay

12. New CMS cases are placed in the CMS Direct Pay scheme, where CMS calculates the maintenance amount but it is up to the parents to arrange the payments.<sup>19</sup> This means that PWC cannot choose to be put straight into the Collect and Pay scheme, where the CMS acts as an intermediary for payments. If the PWC subsequently informs the CMS that the NRP has failed to pay in full and on time, CMS policy is to "seek to contact the non-resident parent by telephone within 72 hours". The NRP then has 14 days to provide evidence that the allegedly missed payments had actually been made. If they are unable to do so, the CMS will "move them rapidly into the collection service" and can consider the use of enforcement action.<sup>20</sup>

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14 Committee of Public Accounts, 2014, [Child Maintenance 2012 Scheme: Early Progress](#) 17th Report of Session 2014–15, HC455

15 DWP, 2014, [Child Support scheme for timing and related matters in relation to ending liability in existing cases](#) ("the ending liability scheme"), December

16 [Q80](#) (Caroline Nokes)

17 PWCs can voluntarily close cases earlier.

18 [Q35](#) (Janet Allbeson)

19 In a narrow range of circumstances, NRPs may be required to pay half of maintenance through an enforced mechanism from the start of the case. See DWP supplementary written evidence ([CHM103](#)).

20 DWP, [Supporting separated families; securing children's futures](#), Cm 8399, July 2012

13. This policy of beginning CMS cases with Direct Pay still applies in cases that were in the CSA collection scheme or where there is a history of non-compliance. In keeping with CMS cases being new applications rather than direct transfers from the CSA, case histories, including evidence of non-payment, are not routinely moved to the CMS.<sup>21</sup>

14. The failure to use this information was frustrating for many PWC. Gingerbread, a charity for single parent families, told us:

This loss of accumulated knowledge means that single parents who have battled for years to get the CSA to take proper account of a non-resident parent's income can find that they are left having to start all over again in getting the CMS to do the same.

One parent told us:

When you make your claim with CMS you start again at the beginning, so those five and a half years of history were completely lost.<sup>22</sup>

We heard that the absence of historic data could also be frustrating for parents paying maintenance. One NRP told us:

My case goes over to the CMS and it seems that the only information the CSA has given them is my daughter's information and my information but nothing of my earning or how much I was paying.<sup>23</sup>

15. We heard that the failure to transfer case history information could let NRPs seeking to avoid maintenance payments off the hook. One PWC told us that their case was "on the verge of going for enforcement" under the CSA but she could not pursue this route when her new CMS case was opened.<sup>24</sup> A further parent, a survivor of domestic violence, found that progress in tracking down her ex-partner had been wasted, resulting in increased payment arrears:

I was staggered to learn that the 8 months of info trying to locate my ex and the knowledge of his current location was not allowed to be transferred from one department to another. They had to search for him again through HMRC, then write, call and email. The arrears now stand at over £5000 and the CMS don't know if they can recover any [ ... ] it's like I'm being controlled all over again.<sup>25</sup>

16. DWP said that information should not be lost in closing cases but that only limited categories of information were transferred from the CSA to the CMS as a matter of course.<sup>26</sup> Gingerbread, a charity for single parent families, said that the Department was using a "one-size fits all" approach to moving cases and that its approach of encouraging a "fresh start" was not necessarily appropriate in cases with a long history of non-compliance.<sup>27</sup>

21 DWP supplementary written evidence ([CHM103](#)). The DWP told us that information should be not lost, and should be available to access on an ad hoc basis but only certain items of information are transferred automatically from the legacy system to CMS.

22 [Q9](#) (Parent 1)

23 Name Withheld ([CHM0007](#))

24 Name withheld ([CHM0023](#))

25 Women's Aid ([CHM0056](#))

26 DWP supplementary written evidence ([CHM103](#))

27 Gingerbread ([CHM0090](#))

17. Parents should take responsibility for supporting their children and the Government is right to prefer that parents organise maintenance with as little statutory involvement as possible. The transition of cases into the new system offers an opportunity for a fresh start and many parents with existing CSA cases have opted not to enter the CMS. There is a balance, however, between starting afresh in a new system and ensuring payments to support children are made. In cases where the non-resident parent has a long history of non-compliance it is not fair or constructive to force parents with care to start the process from scratch. This currently happens even when there is an active CSA investigation or enforcement action. *We recommend that case histories of prolonged under-payment of child maintenance be transferred automatically from CSA to CMS. In instances where the CSA case includes ongoing investigatory or enforcement action, we recommend parents with care be permitted to opt to be placed immediately in the Collect and Pay scheme on joining the CMS.*

## 3 Operation of the 2012 scheme

### Family-based arrangements

18. Before applying to the CMS, either as a new case or moving from the CSA, parents must first explore the possibility of an FBA. A principle underpinning the Henshaw report was that, where possible, parents should have the “lead role” in arranging support for their children.<sup>28</sup> This was not only a moral argument: it found that FBAs led to improved outcomes for children:

Evidence suggests that where people are able to make their own arrangements they benefit from greater satisfaction and higher compliance levels. As a result, child welfare is improved as maintenance is more likely to flow, and conflict between parents is likely to be reduced.<sup>29</sup>

Adopting this approach, the 2012 scheme was designed to reduce use of the statutory child maintenance and to increase numbers of FBAs.<sup>30</sup>

19. Witnesses concurred that FBAs were the most desirable child maintenance method. Janet Allbeson, Senior Policy Advisor at Gingerbread, said “we all agree that family-based arrangements are good. If they work they are helpful”.<sup>31</sup> Michael Lewkowicz, Business Manager at Families Need Fathers, a charity that promotes shared parenting, agreed that “the principle of family-based arrangements is sound and good [ ... ] it encourages responsibility and parents should be responsible for maintaining their children”.<sup>32</sup> NatCen, a research body commissioned by the Department to review the child maintenance outcomes in ex-CSA cases, found that parents with FBAs appreciated the flexibility and ease of FBAs and were keen to take responsibility for their maintenance arrangements.<sup>33</sup> We heard concerns, however, about the operation of FBAs in practice.

### Support in reaching FBAs

20. The acrimony that often surrounds the end of a partnership can make reaching a mutually acceptable maintenance agreement difficult. The quality of the ongoing relationship between separated partners is an important factor in determining whether an FBA is established.<sup>34</sup> The overwhelming majority of cases in the CMS follow relationships that ended bitterly.<sup>35</sup> The Department told us that CMO staff, who act as the gateway to the CMS, are trained with the “aim of breaking down barriers to making family based arrangements”.<sup>36</sup>

28 Sir David Henshaw [Recovering child support: routes to responsibility](#) Cm 6894 2006 p 12–14

29 Sir David Henshaw [Recovering child support: routes to responsibility](#) Cm 6894 2006 para 11

30 Department for Work and Pensions ([CHM0025](#))

31 [Q41](#) (Janet Allbeson)

32 [Q42](#) (Michael Lewkowicz)

33 [DWP Survey of Child Support Agency Case Closure Outcomes](#) Research Report 935 December 2016 p.98–9

34 E.g Ireland, E., Poole, E, Armstrong, C and Purdon, S.(2011). *Evaluation of the Child Maintenance Options Service*. Child Maintenance and Enforcement Commission; Wikeley, N. (2006). *Child Support Law and Policy*. Oxford: Hart Publishing. Wikeley, N. (2007). “Contact and Child Support – Putting the horse before the cart” *Family Law*, 343–346

35 [DWP Survey of Child Maintenance Service Direct Pay Clients](#) 2016 Table A.32 p 118

36 Department for Work and Pensions ([CHM0025](#))

21. One Parent Families Scotland, which supports single parents, told us that 43% of parents they had surveyed found the support offered by CMO unhelpful.<sup>37</sup> One parent said that CMO was “not set up to be best for kids” and that there was “not enough help [ ... ] expectations are you get on with it”.<sup>38</sup> Janet Allbesson told us that if the Government wanted to encourage FBAs then it should offer more support to separated parents to agree them:

You want the assessment that family-based arrangements work best to be backed up by real investment in infrastructure to make that possible for parents. The truth is, if you look at what has been behind, at the same time as they are introducing charges and encouraging people to go away and do it themselves, there is not all that much out there for parents.<sup>39</sup>

She said that Sorting Out Separation, a Government-funded helpline, was not widely used. Other schemes were small in scale and there was insufficient investment to scale them up to national level “to really help people”.<sup>40</sup>

22. Caroline Nokes MP, Parliamentary Under-Secretary of State for Welfare Delivery (the Minister), told us that £70m was being invested in relationship support over the five years. This money, which is administered through third party contracts, was not, however, targeted at promoting adequate and sustainable child maintenance agreements.<sup>41</sup>

### **Suitability of FBAs**

23. For many former partners, an FBA will simply be unsuitable. Parents are, however, required to explore that option before applying to the CMS. This raises the prospect for some PWC of having to contact an abusive ex-partner. The PCS union told us that this deterred some parents from engaging with the scheme entirely:

They therefore are unable to receive maintenance without re-establishing some form of contact with the abusive ex-partner and the risk that would involve for them and their children.<sup>42</sup>

One parent told us she was encouraged to set up an FBA even though there was a history of abuse in her case:

[CMS] constantly use sentences like, “Other families have managed to make a family-based arrangement” as in why couldn’t I. You have to justify it again and again and again. There was some abuse in my relationship when I first made my CSA case and I was threatened to drop it. He threatened to release pornographic pictures of me on to the internet, stuff like that, and because I suppose I was vulnerable at the time I did not have the knowledge to realise that was wrong.<sup>43</sup>

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37 One Parent Families Scotland ([CHM0089](#))

38 One Parent Families Scotland ([CHM0089](#))

39 [Q41](#) (Janet Allbesson)

40 Ibid

41 [Q112](#) and [Q114](#) (Caroline Nokes)

42 PCS Union ([CHM0018](#))

43 [Q10](#) (Parent 1)



24. Women’s Aid, a charity working to end domestic abuse against women and children, told us that the CMS’s “rigid focus on incentivising collaborative arrangements between parents” had “the potential to increase survivors’ risk of abuse, including financial coercion and control”.<sup>44</sup> The Minister acknowledged that it was possible for one parent to use an FBA to exert control over the other but said that in such cases parents could enter the CMS and not be required to contact the other parent.<sup>45</sup>

## Access to the CMS

25. The 2012 scheme introduced charges for use of the statutory system:

- a fee of £20 per case to make an application to the CMS;<sup>46</sup> and
- charges to use the Collect and Pay service, comprising a 20% addition to the paying parent’s maintenance liability and a 4% deduction from the payment to the receiving parent.<sup>47</sup>

Introducing the 2012 scheme, the then Government said these fees were “designed to act as an incentive for parents to collaborate, encouraging them to think again before automatically putting in an application to the Child Maintenance Service”.<sup>48</sup> The primary motivation was not to generate money,<sup>49</sup> and the Minister told us that the money raised by charges covered a “very small proportion” of the costs of running the scheme.<sup>50</sup>

## The application fee

26. One parent told us that the £20 application fee felt like “upfront punishment for the parent who’s just trying to get a fair deal for their child”.<sup>51</sup> Others said the charge was poor value for money. One PWC on Mumsnet said:

I have five children. In the two years since he left, we have not received a penny. The only money to change hands is my £20 to the CMS.<sup>52</sup>

Another PWC told us:

I paid my fee for them to work on my behalf, and was full of hope that my children would finally get some support financially from their father. Almost 12 months on, the only thing that has happened is that I have received a couple of letters, a few phone calls, and am £20 out of pocket, while my child’s father has paid not a penny.<sup>53</sup>

44 Women’s Aid ([CHM0056](#))

45 [Q78](#) (Caroline Nokes)

46 A “case” is single relationship (mother, father and all the children from it). So one individual could be involved in more than one case if they have children through more than one relationship.

47 For a maintenance payment of £100, the paying parent pays £120 and the receiving parent is paid £96. Charges are also levied on the Non-Resident Parent for any enforcement action taken against them.

48 DWP, [Fairness for families, children and taxpayers as new child maintenance system is launched](#), 2014

49 E.g. DWP Supporting separated families; securing children’s futures [Cm 8399](#) 2012 p 18

50 [Q87](#) and [Q89](#) (Caroline Nokes)

51 Walthamstow Single Parents ([CHM0067](#))

52 Provided by Mumsnet: user name “Whateverloser” ([CHM0080](#))

53 Name Withheld ([CHM0035](#))

Walthamstow Single Parents cited a further case:

I've not had a penny. Basically he owes through CSA nearly £14,000. Then from April '15 until June '16 with CMS he owes nearly £12,000 and then they said about this attachment of earnings, first payment due Aug 19th of course it never came ! I joined April '15 paid £20 , spent small fortune on phone calls, have put two formal complaints in and still nothing even now with an attachment of earnings order !"<sup>54</sup>

27. Others were similarly frustrated that, despite charging for their services, the CMS was reluctant to use enforcement powers,<sup>55</sup> an issue we consider in the next chapter. Child Poverty Action Group argued that requiring parents with closed cases in arrears on legacy schemes pay an application fee was “particularly harsh, even if an application fee for those who apply to the statutory scheme for the first time is thought justified”.<sup>56</sup>

28. Other parents could not afford the application fee to access the statutory system when they needed it. An anonymous CMS official told *The Guardian*:

Every day I see parents who qualify for child maintenance get their applications rejected, simply because they are too impoverished to pay the fee.<sup>57</sup>

One PWC said they could not pay the fee because they were “scraping by” and felt it was easier and safer to give up on receiving maintenance payments.<sup>58</sup> NatCen found that of those PWCs who had opened cases with the CMS following the closure of their CSA case, one third had found the application fee difficult to afford.<sup>59</sup> These parents were concentrated in the categories that received least support from former partners.<sup>60</sup>

29. Stakeholders suggested a number of options for reforming the application fee. A number of PWCs suggested the application fee should be paid by the non-compliant NRP.<sup>61</sup> Gingerbread recommended low-income families, defined by a means test or benefit eligibility, should be exempt from the application fee.<sup>62</sup> Child Poverty Action Group, a charity, said it supported an exemption from the fee for low-income families and called on the Department to consider abolishing the fee altogether.<sup>63</sup>

### Collect and Pay charges

30. We heard a variety of criticisms of Collect and Pay charges. Mother’s Union, a Christian membership organisation, told us that the 4% charge on PWCs was detrimental to the children that maintenance is intended to support:

54 Walthamstow Single Parents ([CHM0067](#))

55 [Q17](#) (Parent 1)

56 Child Poverty Action Group ([CHM0072](#))

57 “We do our best at the Child Maintenance Service but lone parents still lose out” [Guardian](#) 10 December 2016

58 One Parent Families Scotland ([CHM0089](#))

59 DWP [Survey of Child Support Agency Case Closure Outcomes](#) Research Report 935 December 2016

60 Ibid

61 For example see Name withheld ([CHM0005](#)), Walthamstow Single Parents ([CHM0067](#))

62 Gingerbread ([CHM0090](#))

63 Child Poverty Action Group ([CHM0072](#))

Such charges act first and foremost as a punitive measure towards parents, and ultimately their children, who lose out through the 4% charge, on money that is intended to support them.<sup>64</sup>

The PCS Union told us the charges acted as a disincentive to making maintenance payments, resulting “in thousands of children not receiving child maintenance payments or receiving smaller and irregular payments”.<sup>65</sup> Gingerbread told us that parents may opt not to report missed Direct Pay payments because the “threat of Collect and Pay charges and accompanying messaging can create a perverse incentive to stick with non-compliant Direct Pay arrangements”.<sup>66</sup> PWCs also felt “penalised” by charges levied because of a former partner’s non-compliance.<sup>67</sup>

31. Other witnesses agreed that the charges for using Collect and Pay deterred parents from using it, even in cases when payments via Direct Pay were low and inconsistent. One mother told us she tolerated missed payments because of the charges :

When I faced the prospect of making a decision whether to ask the CMS to go back from Direct Pay to Collect and Pay, knowing that there would be 4% charges to myself and 20% charges to my ex-partner, I did delay. He missed a payment or did not pay quite enough [ ... ] if I had not gone back to collect and pay knowing that he was going to have to pay more and we were going to have to pay some, we would be getting just whatever he chose to pay.<sup>68</sup>

32. PWCs told us that CMS staff were also reluctant to allow parents to use the Collect and Pay service, even where there was a record of non-compliance by the NRP. One parent told us she had to continually justify why she needed the service rather than Direct Pay, or an FBA.<sup>69</sup> Another said

After my ex has been messing me around with payments for the last year I asked to move to Collect and Pay. Turns out they don’t think that being completely financially controlling/manipulative with the payments is enough to warrant a change. [ ... ] My ex always underpays every single month. Because it is a small amount CMS say there is nothing I can do.<sup>70</sup>

**33. The Government state that the statutory scheme is available to those who genuinely need it. Some parents who clearly need the system are, however, unable to afford the application fee. This is leading some parents to give up on pursuing maintenance payments altogether. We recommend that CMS applicants on means tested benefits be exempt from the £20 application fee.**

**34. We find it difficult to justify charging an upfront CMS application fee to parents with care to transition legacy cases with a prolonged history of non-payment, especially as such cases appear a low priority for enforcement. These parents, and their children, have been failed by their ex-partners and failed by the system.**

64 Mothers’ Union ([CHM0030](#))

65 PCS Union ([CHM0018](#))

66 Gingerbread ([CHM0090](#))

67 Ibid

68 [Q16](#) (Parent 2)

69 [Q9](#) (Parent 1)

70 Mumsnet ([CHM0080](#))

35. **Charges for using Collect and Pay are discouraging some parents who require the service. In many cases a parent with care has no choice yet 4% is deducted from their payments. In addition, parents report a reluctance by CMS staff to allow them to move onto the scheme and a readiness to move cases out of Collect and Pay even when non-resident parents have failed to make regular payments in full. It is far from evident that the charges and criteria used for determining whether Collect and Pay can be used are acting in the best interests of children. *The Government should conduct a review of whether Collect and Pay charges and access criteria are achieving the intended outcome of increasing the number of more collaborative arrangements.***

### Exemptions for victims of domestic abuse

36. Throughout our inquiry we heard that abusive and controlling behaviour was prevalent in former relationships that required CSA and CMS intervention. A 2013 DWP survey found that almost half of CSA clients had experienced domestic violence or abuse from their former partner.<sup>71</sup> Mother's Union said that, in these cases, the CMS may be the only way for a PWC to receive maintenance:

Domestic abuse takes many forms and does not necessarily end with the end of a relationship [ ... ] the CMS may provide the only realistic chance of child maintenance being paid and received, with some sense of safety and freedom from abuse.<sup>72</sup>

37. Michael Lewkowicz told us that controlling behaviour could also be exerted by a PWC, usually by denying access to children:

We have some dads who, for example, are told that if they do not pay on top of what they have already been asked to pay by CMS then they will not see their children next weekend [ ... ] Coercion and control can and do happen both ways and unfortunately we hear about an awful lot of them, and the denial of the relationship is probably the single biggest factor that we hear about.<sup>73</sup>

This was reflected in evidence we receive from several NRPs. One father told us his ex-partner had denied him access to their children as he was unable to afford maintenance payments.<sup>74</sup> Another NRP told us:

I have three children who I am not allowed to see. I do not even know where they live or what school they go to. I cannot go through mediation with my ex as I was a victim of domestic violence.<sup>75</sup>

38. Those with registered cases of domestic abuse are exempted from paying the £20 application fee when applying to the CMS.<sup>76</sup> Before applying, however, parents who have

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71 DWP [CSA case closure and charging client surveys – tabulations of results](#) 2013

72 Mother's Union ([CHM0030](#))

73 [Q58](#) (Michael Lewkowicz)

74 [Q10](#) (Parent 3)

75 Name Withheld ([CHM0050](#))

76 DWP, [Fairness for families, children and taxpayers as new child maintenance system is launched](#), June 2014

been victims domestic abuse must attempt to establish a collaborative arrangement, either through an FBA or Direct Pay, and prove that their expartner was a poor payer, before they could use Collect and Pay. Women's Aid told us:

These incentives demonstrate a serious lack of understanding around the dynamics of domestic financial abuse and how it can escalate around child maintenance. Enforcing and incentivising continued contact in this way poses significant risks to women and children.<sup>77</sup>

39. Stakeholders also told us that CMS staff were not trained properly in issues surrounding abuse. DWP said that frontline CMS staff received “empathy and negotiation skills training [ ... ] to help them deal with the difficult emotions people sometimes experience during separation.”<sup>78</sup> Women's Aid, however, said it was:

seriously concerned that CMS professionals do not currently receive any training in the dynamics of domestic abuse and coercive control, how to recognise it, or how to respond to cases in which it is evident.<sup>79</sup>

Gingerbread said CMS staff should receive mandatory training on domestic abuse, which should “enable staff to raise the question of domestic abuse proactively”.<sup>80</sup>

40. While the application fee is waived in registered domestic abuse cases, Collect and Pay charges are not. The PCS Union said that it had received reports of both PWCs and NRPs using charges as “a mechanism for administering control or punishment within the relationship”.<sup>81</sup> Women's Aid told us that charges for either parent, even when they were for the perpetrator, may only serve to escalate an already difficult situation.<sup>82</sup>

41. Janet Allbeson said charges deterred some domestic abuse victims from reporting a non-compliant Direct Pay arrangement:

It is just that knowledge that you will get retaliation for the fact that he then has to pay 20% extra. We have even had one case where the single parent wrote in and said, “I really need the collection. Can I pay his fees because I am so afraid of what would happen if he does have to pay, but I need the money?” The collection charge does act as a barrier to people who need the service but are worried.<sup>83</sup>

42. Mother's Union recommended that Collect and Pay charges be dropped for the victim, whether this be 4% for a PWC or 20% for a NRP.<sup>84</sup> One Parent Families Scotland were among those who advocated the “fast tracking” of victims of domestic violence into the Collect and Pay system.<sup>85</sup>

**43. The Department's own survey of CSA clients found high levels of domestic abuse. The evidence we received shows that abuse, control and coercion can continue even**

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77 Women's Aid ([CHM0056](#))

78 Department for Work and Pensions ([CHM0025](#))

79 Women's Aid ([CHM0056](#))

80 Gingerbread ([CHM0090](#))

81 PCS Union ([CHM0018](#))

82 Women's Aid ([CHM0056](#))

83 [Q58](#) (Janet Allbeson)

84 Mother's Union ([CHM0030](#))

85 One Parent Families Scotland ([CHM0089](#))

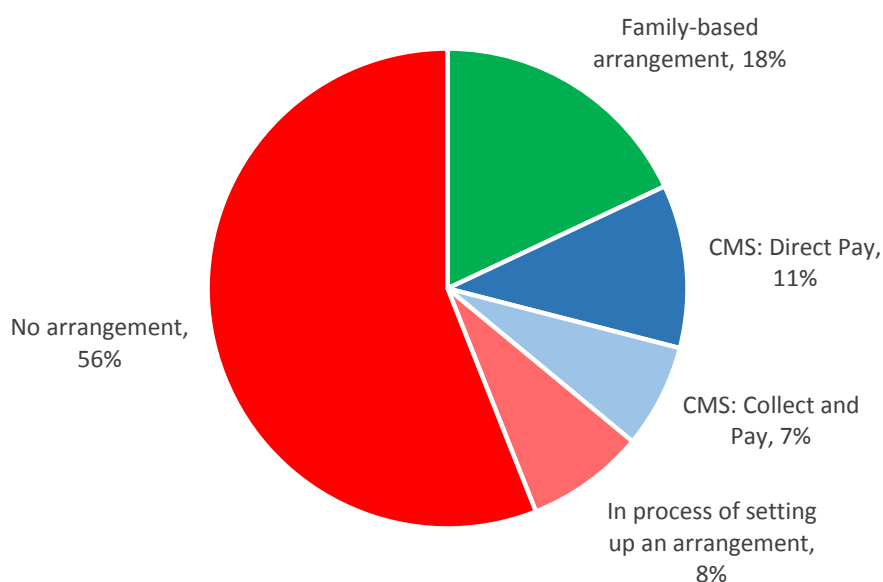
when a relationship has ended, and can be exerted by either parent. We welcome the waiver of the £20 fee for domestic abuse survivors but further changes are required to make the system safe and effective for survivors of domestic abuse and, ultimately, their children. A system that leaves victims with the choice of re-engaging with their abuser and risking further coercion and control, or declining money owed to them for their children, is clearly not working.

44. *All frontline CMS staff should receive training on domestic abuse, including understanding abusive behaviour and demonstrating sensitivity in dealing with its victims. Those victims are often reluctant to admit to having been abused, so CMS staff should also be trained in identifying abuse. In registered cases of domestic violence, or where CMS staff have identified it themselves, parents with care should be able to proceed directly to the Collect and Pay service and should not be charged. As part of its review of Collect and Pay charges, the Department should consider the impact of charges for the non-resident parent in cases of domestic abuse.*

### Slipping through the net

45. In 2012, DWP estimated that of around 330,000 CSA clients who would choose not to apply to the statutory service, 185,000 (56%) would make a family-based arrangement.<sup>86</sup> NatCen's survey of former CSA clients, conducted between June 2015 and September 2016, found that three months after CSA case closure, only 18% had an FBA in place. A similar number had opened new cases with the CMS. More than half, 56%, were not even in the process of setting up any sort of arrangement.<sup>87</sup>

Figure 1: Child maintenance arrangements three months after CSA case closure (%)



There were also a very small number of court arrangements, accounting for less than 1%.

Source: [Survey of Child Support Agency Case Closure Outcomes](#), Dec 2016

86 DWP, [Estimating the impacts of CSA case closure and charging](#), August 2012. This number was split between parents who did not wish to enter the statutory service (185,000) and those who were deterred from doing so due to the application fee (145,000)

87 DWP [Survey of Child Support Agency Case Closure Outcomes](#) Research Report 935 December 2016 Table A.108, p 162

46. The Minister told us that there would be “a significant number” of FBAs the Government would know nothing about as state support was not required.<sup>88</sup> However, Janet Allbeson told us:

There is very little evidence that parents are going off and making family-based arrangements at the moment. [ ... ] Our worry is that people are being encouraged to go off and try it [ ... ] but they are not really succeeding. That is a worry, because this is about ensuring that more children are supported financially by both parents, and at the moment the jury is out on whether that is happening.<sup>89</sup>

She added that the number of parents making FBAs after contact with the CMO, which would involve some state support, was declining.<sup>90</sup>

47. We heard concerns that the Government had no reliable means of monitoring the adequacy of child maintenance arrangements outside the statutory scheme. The DWP highlighted a number of different sources of data it can draw on to assess the impact of the 2012 changes. These range from existing large household surveys, the Understanding Society Survey (USS) and the Family Resources Survey, into which a section on child maintenance will be added, internally-conducted surveys of the statutory system’s client base, such as CSA exit surveys and surveys of those who contact CMO, and externally commissioned reviews such as those conducted by NatCen.<sup>91</sup>

48. Each of the Department’s sources, however, has significant limitations as a means of monitoring the effectiveness of the system. The large surveys are broad, covering a wide range of areas relating to households. They can say little about FBAs beyond their prevalence and provide little insight into their effectiveness.<sup>92</sup> The timescales involved also mean that the data can be out-of-date by the time it becomes available.<sup>93</sup> The internal reviews of clients are limited to those who have had CSA cases or who contact the CMO. The studies conducted by NatCen were also limited to a sample of former CSA clients and those who had been through the CMO’s gateway consultation to enter Direct Pay. Neither can assess the circumstances of those single parents who are outside the statutory system.

49. The DWP predicted that 63% of CSA clients who went through the case closure process would open new CMS cases.<sup>94</sup> The latest official data show that only 18% had done so by December 2016.<sup>95</sup> The closure process is ongoing and rates may yet rise. It is clear, however, that far fewer parents are continuing in the statutory scheme than had been anticipated.

50. NatCen’s research demonstrates that the options of FBAs and the CMS were not offering an adequate outcome for many vulnerable single parent families. Of former CSA cases that were “nil-assessed”, meaning there was a maintenance liability but because of the NRP’s circumstances that liability was zero, or “non-compliant”, whereby the NRP had failed to meet a child maintenance liability for at least three months, just 12% had

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88 [Q75](#) (Caroline Nokes)

89 [Q42](#) (Janet Allbeson)

90 Ibid

91 DWP [Child Maintenance Reforms Evaluation Strategy](#) December 2014 p 25–30

92 Gingerbread ([CM0090](#))

93 DWP [Child Maintenance Reforms Evaluation Strategy](#) December 2014 p 25–6

94 DWP [Estimating the impacts of CSA case closure and charging](#) August 2012 para 163

95 DWP [Child Support Agency Case Closure Experimental Statistics](#) 19 April 2017

agreed an FBA within 12 months of CSA case closure.<sup>96</sup> A further 14% were in the CMS. Less than half of arrangements in those two categories combined were, however, working satisfactorily. There was no arrangement in 72% of nil-assessed or non-compliant former CSA cases 12 months after CSA case closure.<sup>97</sup>

51. Gingerbread said that there was “a widespread lack of awareness and understanding around eligibility for child maintenance among parents with care”, exacerbated by cuts to legal aid and a paucity of targeted support.<sup>98</sup> A recent survey by PayPlan, a provider of free debt advice and management plans, found that more than half of single parents surveyed did not know whether they were even eligible for child maintenance.<sup>99</sup>

**52. The foundation of the Government’s approach to child maintenance is to encourage separated parents to come to voluntary agreements where possible and, where such agreements are not possible, provide a statutory system as a safety net. It is apparent, however, that many families may be slipping through that net. Such families are disproportionately likely to be in the most vulnerable groups. The Government’s existing means of monitoring the quantity and success of family-based arrangements are, however, inadequate to properly understand the causes and consequences of the trend. In seeking to encourage separated parents to take more responsibility for their children, the Government must not abdicate its own duties to them. Monitoring must be improved to establish the extent to which parents are adequately supported in making child maintenance choices and whether incentives intended to result in better support for children are in fact having the opposite effect. Only then can it have confidence in meeting its commitment to increase the number of children receiving maintenance.**

**53. *We recommend the Department establish a CMS stakeholder group, including parents with care, non-resident parents, charities such as Gingerbread and Families Need Fathers, and advisory organisations such as Citizen’s Advice. This group should review the effectiveness of the CMS, recommend improvements to its operation and consider its response to wider social and economic trends such as the increase in self-employment.***

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96 DWP [Survey of Child Support Agency Case Closure Outcomes](#) Research Report 935 December 2016 p 66

97 DWP [Survey of Child Support Agency Case Closure Outcomes](#) Research Report 935 December 2016 p 66

98 Gingerbread ([CHM0090](#))

99 PayPlan, [Child Maintenance Research Report](#), May 2016



## 4 Arrears, avoidance and enforcement

### Arrears

54. When parents do not meet their legal responsibility to pay child maintenance, arrears accrue. The most recent accounts show that total arrears of nearly £4 billion have accumulated under the CSA.<sup>100</sup> When a CSA case in arrears is selected for closure, the PWC can choose to either have the arrears transferred to the CMS or to write them off, perhaps in the interests of making a fresh start. Arrears that are transferred are not taken into account in determining which CMS service a PWC can use, regardless of their value or age. Cases with an arrears value of £353 million had been transferred from the CSA to the CMS by September 2016.<sup>101</sup>

55. DWP accounts estimate the proportions of arrears considered to be collectable and uncollectable. In the latest accounts, £366 million is categorised as likely to be collectable, £527 million potentially collectable and £3.1 billion uncollectable.<sup>102</sup> The CSA has limited means of independently closing a case of outstanding arrears, even if it has long since ceased to be live or the amounts concerned are relatively small.<sup>103</sup> A large proportion of outstanding arrears applies to “arrears only” cases where the child involved has reached adulthood and there is no ongoing maintenance liability. The amount deemed uncollectable has grown over time as cases of arrears age. The Minister told us some of the debt was “really old” and that there could be cases of arrears where the children in question were now middle-aged adults.<sup>104</sup> We asked for a breakdown of arrears by the age of the debt and age of child but the Department said this not available.<sup>105</sup>

### Criteria for prioritising arrears

56. Though it categorises more than three-quarters of arrears as “uncollectable”, the Government maintains that NRPs in arrears remain liable and should pay. The Minister told us, however, that pursuing historical arrears could be impractical:

The harsh reality is that there are some parents out there who have deliberately avoided paying maintenance for their children over incredibly long periods of time. We will always go after debt that we think we can retrieve both for the Secretary of State indeed and for the parent with care,

100 These figures include money owed to the Government as well as PWCs. The DWP’s audited accounts show an arrears of £3,976 million in March 2016 whereas the figure given in the rolling quarterly statistics is £3,708 million for the same period with the most recent figure of £3,476 million. See DWP [Client Funds Account 2015/16: 1993 and 2003 Child Maintenance Schemes](#) HC855 16 December 2016 p7 and [Data tables: Child Support Agency Quarterly Summary of Statistics](#), September 2016.

101 [Written Answer](#) 30 January 2017

102 “Likely to be collected” arrears are those where some effort has been made by the Paying Parent to clear their arrears within the previous 6 months, “potentially collected” are those where an arrears schedule is agreed but may not have been kept to or where enforcement powers *could* be used. DWP [Client Funds Account 2015/16: 1993 and 2003 Child Maintenance Schemes](#) HC855 16 December 2016 p6–7

103 NAO, [Child maintenance: closing cases and managing arrears on the 1993 and 2003 schemes](#), HC 1054, March 2017. For example if one of the parents has died.

104 [Q80](#) and [Q82](#) (Caroline Nokes)

105 [Follow-up letter from DWP](#), Jan 2017

but we have to be realistic about the cost of that and whether we are doing the right thing by spending taxpayers' money pursuing funds that we have very little likelihood of collecting.<sup>106</sup>

She added that priority was being given to pursuing “live” cases relating to “children who will benefit from regular ongoing maintenance payments today” rather than cases where the child concerned is now an adult.<sup>107</sup>

57. The DWP’s 2012–17 child maintenance strategy sets out a general policy of prioritising collection in live cases over that in arrears-only cases.<sup>108</sup> It is not clear, however, whether CMS would pursue outstanding debt in any arrears-only cases at all. Gingerbread told us that this “continued lack of clarity” meant parents had been “left in the dark”.<sup>109</sup> They suggested that CMS should contact parents with arrears-only cases to tell them whether the money owed to them for supporting their children would be pursued.<sup>110</sup>

58. The Government’s strategy also gives no indication of how live cases would be prioritised for arrears collection. A number of parents said they had been encouraged to “write-off” any debt when their CSA case was closed.<sup>111</sup> They told us this implied CMS did not consider this money important and that it would not try to collect it.<sup>112</sup> One parent told us:

The CMS wrote to mothers owed money for years asking them to write off their arrears, a shameful admission of who the CMS prioritises; revealing very clearly to mothers that the system thinks they don’t deserve the money. If you’d been chasing for years and got that letter how much faith would you have that they will even try? How many more years of pointless stressful phone calls would you make?<sup>113</sup>

Another parent said of her ex-partner:

He has an enormous amount of arrears owing in child maintenance yet nothing seems to be done to get this money from him. [ ... ] Things need to change within [the] system for the children’s sakes it’s them who are suffering financial neglect from these parents.<sup>114</sup>

59. The Minister told us that the amount owed and the likely difficulty in tracing a NRP could both be taken into account when prioritising arrears.<sup>115</sup> She also suggested that pursuing arrears in cases when NRPs owed less than £500 was not viable:

I think in the region of 26% of that [total] debt, is people who owe less than £500. Let’s think about that really carefully. Is it worth us spending

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106 [Q83](#) (Caroline Nokes)

107 [Ibid](#)

108 See, [Preparing for the future, tackling the past, Child Maintenance – Arrears and Compliance Strategy 2012 - 2017](#), January 2013

109 [Gingerbread \(CHM0095\)](#)

110 [Ibid](#)

111 [Name Withheld \(CHM0057\)](#), [Name Withheld \(CHM0070\)](#)

112 [Name withheld \(CHM0003\)](#)

113 [Walthamstow Single Parents \(CHM0067\)](#)

114 [Name withheld \(CHM0003\)](#)

115 [Q85](#) (Caroline Nokes)

taxpayers' money to pursue 26% of that debt when it is individuals who owe less than £500 each?<sup>116</sup>

The Department later clarified that in fact £500 or less is owed in 44% of arrears cases.<sup>117</sup> Combined, these cases account for 2% of the total *value* of debt.

60. The DWP strategy mentions no specific value threshold for arrears to be pursued. Professor Gillian Douglas, Professor of Family Law at Cardiff University, said that, whilst small amounts may not seem cost-effective to pursue, this money was still “important and valuable to the families to whom it is owed”.<sup>118</sup> Gingerbread said that if it was indeed CMS policy not to pursue arrears of less than £500 then it would affect those families on the lowest incomes:

This means that lower income families where maintenance may be worth £10 or £20 per week are left to wait many months without vital support until the CMS will take action. This kind of cash threshold means receiving parents on lowest incomes will be worst served by debt collection—particularly single parents, for whom even modest amounts of child maintenance can make a real difference.

**61. We deplore the non-payment of child maintenance, which can cause financial difficulty and immense stress to the parent with care, ultimately to the detriment of the child. We understand that it is not cost-effective for the Government to pursue every case of arrears. Money owed still, however, rightly belongs to the parent with care to support their children and CMS has made no clear statement of which cases it intends to take up. This can cause uncertainty and disruption for parents seeking recompense. Furthermore, failure to demonstrate that it is taking seriously the worst legacy cases of prolonged under-payment risks undermining trust in the new system. We recommend the Department clearly set out in response to this report the criteria it uses for prioritising the collection of arrears, including any time or value thresholds, and how it intends to approach and resource tackling each category of arrears, appreciating that even small payments can be of huge value to vulnerable families.**

**62. We understand the Government’s rationale in favouring arrears cases that relate to children with current support needs. It is, however, unclear whether the Department intends ever to pursue any arrears-only cases. It is unfair to leave those parents still owed for historic underpayments in the dark. We recommend the CMS clarify its stance on this and inform parents with care if their arrears-only case will not be pursued.**

**63. Children from previous relationships and children from new relationships should be of equal importance to parents. We recommend the DWP set out, in its response to this report, how it intends to ensure that all children are given fair and equitable treatment in cases where CMS intervention is necessary.**

116 [Q84](#) (Caroline Nokes)

117 DWP, [Follow-up letter](#), December 2016

118 Professor Gillian Douglas ([CHM0033](#))

## Enforcement

64. The Minister told us that the vast majority of NRPs using the CMS pay regularly.<sup>119</sup> In a minority of cases, however, NRPs refuse to pay maintenance owed to PWCs to support their children. The Henshaw report emphasised that enforcement of maintenance liabilities was important for its own sake, but also to act as a deterrent to underpayment of maintenance:

Effective enforcement is key to the success of the child support system. We cannot repeat past failings that have led to weak enforcement, feeding the perception that parents can get away with not taking financial responsibility for their children. Enforcement should be run as a dedicated part of the business with clear performance targets for bringing more cases to successful conclusion.<sup>120</sup>

65. PWCs are not able to bring their own enforcement proceedings and rely on the CMS to do so.<sup>121</sup> Professor Gillian Douglas, Professor of Family Law at Cardiff University, said this meant “the person with the most direct interest in enforcement—the Parent with Care—is unable to influence the CMS to take action, or to take action herself, to enforce payment”.<sup>122</sup> Durham Legal Services suggested that PWCs should be allowed to pursue payments through the courts themselves if the CMS was reluctant to take enforcement action. However, without access to legal aid, which is unavailable in the majority of family law cases, permitting a PWC to take such action would have limited practical impact.<sup>123</sup> Janet Allbeson argued:

Unless you can afford to pay solicitors there are enormous cost barriers to using the courts, to be honest. Ideally you want the CMS to do its job and we should not need to go to court.<sup>124</sup>

66. The CMS has a range of strong enforcement powers including:

- to deduct maintenance directly from earnings or bank accounts;
- to instruct bailiffs to collect arrears or seize payments;
- to force the sale of property;
- to disqualify from driving; and
- to commit to prison.<sup>125</sup>

The Minister told us that existing powers were used “relentlessly” and that the Department was exploring possibilities for additional powers:

Under the review of our compliance and arrears strategy, we are looking

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119 [Q100](#) (Caroline Nokes)

120 Sir David Henshaw [Recovering child support: routes to responsibility](#) Cm 6894 2006 p6

121 A 2005 ruling by the House of Lords determined that PWCs have no direct recourse to the courts to pursue any arrears they are owed under the Child Support Act and are reliant on the Government to do so on their behalf. [R \(Kehoe\) v Secretary of State for Work and Pensions \[2005\] UKHL 48](#)

122 Prof Gillian Douglas ([CHM0033](#))

123 Durham Legal Service ([CHM0065](#)); Prof Gillian Douglas ([CHM0033](#))

124 [Q53](#) (Janet Allbeson)

125 Department for Work and Pensions ([CHM0025](#))

at powers to deduct direct from joint bank accounts. We do have some non-paying parents who will channel their earnings through maybe a close relative's account or maybe a partner's joint account with them, and we are looking at powers to go after them.<sup>126</sup>

67. CMS cases can be moved to enforcement immediately after the first missed payment.<sup>127</sup> This does not, however, take place automatically: decisions are taken on a case-by-case basis. DWP told us that enforcement action is expensive, “especially when the NRP is determined not to pay” and that it prioritises cost-effective cases involving active liabilities.<sup>128</sup> DWP data for the period to November 2016 show there were 11,225 CMS cases subject to enforcement proceedings compared with 103,300 cases in arrears in Collect and Pay alone.<sup>129</sup>

68. Those figures reinforced the impression provided by stakeholders that the CMS is reluctant to use its enforcement powers. Professor Gillian Douglas said:

the CSA/CMS have been poor at getting the sums owed and apparently loath to make use of the range of enforcement measures at their disposal.<sup>130</sup>

Janet Allbeson told us that the CMS's approach to enforcement involved much “prevarication and foot dragging” and that it was unwilling to take enforcement action except in the most exceptional of circumstances.<sup>131</sup> This tallied with evidence from parents who had asked the CMS to take enforcement action. One PWC said getting the CMS to use enforcement powers was “a long, arduous process”.<sup>132</sup> Another told us:

The CMS clearly state that they have the power to enforce payments take people to court and even go into their bank accounts but in all the years I have been dealing with the CSA and CMS nothing has ever been done about it.<sup>133</sup>

69. Some NRPs took the view that enforcement action should be used sparingly. One suggested that payments should only be enforced where a court order was in place. Another suggested that enforcement should “only be used in instances that a parent refuses to make a payment over a longer period of time (3–6 months)”.<sup>134</sup> Conversely, many other stakeholders said that the CMS needed to use its powers more frequently. Janet Allbeson suggested a three-year period of intensive enforcement action would establish “the right culture for this new system to operate in”.<sup>135</sup> James Pirrie, Board Member of Resolution and Director of Family Law in Partnership, suggested that cases should be put into enforcement automatically as a result of missed payments.<sup>136</sup>

**70. Parents do not themselves have recourse to the courts to enforce child maintenance payments. Instead they rely on the CMS to act on their behalf. The CMS has extensive**

126 [Q84](#) (Caroline Nokes)

127 Department for Work and Pensions ([CHM0025](#))

128 DWP supplementary written evidence ([CHM103](#))

129 DWP, [Statistics on the 2012 statutory child maintenance scheme](#): Aug 2013 to Nov 2016 (experimental).

130 Prof Gillian Douglas ([CHM0033](#))

131 [Q53](#) (Janet Allbeson)

132 [Q17](#) (Parent 1)

133 Name withheld ([CHM0023](#))

134 Name withheld ([CHM0006](#))

135 [Q63](#) (Janet Allbeson)

136 [Q60](#) (James Pirrie)

**enforcement powers and can take action once a single payment is missed. It is, however, currently tentative in deploying those powers. This enables non-resident parents to get away with not making appropriate contributions to their children’s upbringing. It also signals to other non-resident parents that they may well be able to do the same. Faith in the statutory child maintenance system is fundamental to its effectiveness. The CMS ought to strike fear into would-be evaders of parental responsibility. It must take a stronger approach to enforcement, comparable with the Government’s approach to other areas of financial liability such as benefit fraud or tax. *We recommend the CMS adopt a presumption in favour of enforcement action when a payment has been missed, and proceed unless there is either evidence of a valid reason why or a credible reparative payment plan is in place.***

## Maintenance cheats

71. Some NRPs hide or disguise income in order to reduce their child maintenance liability. The CMS relies on gross income data from HMRC to calculate payments owed. The Minister told us that DWP works “hand in glove with HMRC” to identify people who are trying to avoid payment of both child maintenance and tax.<sup>137</sup>

## Self-employment

72. We heard that reliance on HMRC gross income data could lead to problems when NRPs were not employees. We heard that self-employed people and company directors were able to deploy techniques to significantly lower income declared to HMRC or hide assets using their company accounts in order to minimise their maintenance liability.<sup>138</sup>

73. Gingerbread told us that it is “far too easy for determined parents to avoid paying fair levels of maintenance by manipulating their income and assets”.<sup>139</sup> One mother told us her ex-partner had hidden all of his earnings and that she had lost her marital home because of the lack of payments.<sup>140</sup> Another PWC said that the CMS did not “have a reliable system that deals with a self-employed NRP who is intent on paying as little in maintenance as possible”.<sup>141</sup> The Minister acknowledged that the self-employed were one of the “biggest challenges” for the CMS.<sup>142</sup>

74. Unearned income, such as that from dividends and property rents, is not included in CMS calculations as standard, but PWCs can request a “variation” from this for such income to be taken into account.<sup>143</sup> Gingerbread told us that this option is little known and little publicised.<sup>144</sup> HMRC confirmed that the requisite data are available to the CMS through existing data-sharing arrangements.<sup>145</sup> A tax return alone, however, would not give an accurate picture of a self-employed NRP’s income if they were determined to hide it.<sup>146</sup>

137 [Q95](#) (Caroline Nokes)

138 [Q61](#) (Janet Allbeson); Durham Legal Services UK ([CHM0065](#))

139 Gingerbread ([CHM0090](#))

140 Note of meeting with three PWCs ([CHM0102](#))

141 Name Withheld ([CHM0085](#))

142 [Q100](#) (Caroline Nokes)

143 DWP supplementary evidence ([CHM103](#)). Citizens Advice has an [online explanation](#) of grounds for variation for both NRPs and PWCs.

144 Gingerbread ([CHM0090](#))

145 HMRC ([CHM0104](#))

146 For example, Name Withheld ([CHM0063](#))

### ***Liaison between CMS and HMRC***

75. One PWC told us that having gathered evidence the NRP had undeclared income she was referred to by the CMS to HMRC:

I sent all this in and the Child Maintenance Service just said, “If you suspect any fraud or any inconsistency you need to contact HMRC”, which I did. They asked me for progress later on and asked me how far I had got with HMRC, so I followed that up with them [ ... ] five months later got a standard letter back saying, “We do not get involved and CMS can come to us for information when they need to.”<sup>147</sup>

Janet Allbeson told us that HMRC did not welcome reports of falsely declared income from PWCs using the CMS:

We have had parents ring our helpline to say that they have been told by HMRC, ‘We are getting inundated by these calls from all these mums and what do you expect us to do about it? We haven’t got the capacity’<sup>148</sup>

76. We asked HMRC about how they work with CMS. HMRC told us their input into the design of the 2012 scheme was primarily confined to the development of the data-sharing interface and associated legal issues. They were not involved in the development of policy, including how to ensure that statutory maintenance calculations reflect the NRP’s ability to pay.<sup>149</sup> We spoke to an MP who was also a PWC. She told us that HMRC’s focus was on large tax evasion cases, which meant it was unlikely to pay sufficient attention to behaviours designed to minimise child maintenance payments.<sup>150</sup>

### ***Inconsistent lifestyles and assets***

77. Under the CSA, a PWC who suspected the NRP of disguising their income to reduce maintenance liability in this way could challenge the determination on the grounds that their lifestyle was inconsistent with their declared income, or that they have extensive assets. Under the 2012 scheme, these variations are no longer available. In explanation, the Minister cited access to extensive HMRC income data in the new scheme. This does not, however, solve the problem of NRPs hiding income. Income that routinely does not appear on tax returns, such as income from ISAs or from venture capital trust fund dividends would also not be taken into consideration.<sup>151</sup> James Pirrie explained:

The problem is that as the CMS has been built for efficiency’s sake it cannot perceive capacity to pay. All it will look at is a tax return.<sup>152</sup>

78. The MP we spoke to said that removing the inconsistent lifestyle variation was a mistake. Her former partner had been a director of his own companies and had used his position to disguise his income through directors’ loans and expense claims.<sup>153</sup> She said that the removal of the lifestyle challenge was a huge disadvantage to PWCs and that the

147 [Q28](#) (Parent 2)

148 [Q69](#) (Janet Allbeson)

149 [Letter from Jon Thompson, Chief Executive HMRC](#), December 2016

150 Unnamed MP ([CHM0101](#))

151 [HC Deb, 19 April 2017, Col 678](#)

152 [Q51](#) (James Pirrie)

153 Unnamed MP ([CHM0101](#))

CMS needed a team dedicated to investigating inconsistent lifestyle.<sup>154</sup> Introducing his Bill to add an assets variation to the 2012 scheme, David Burrowes MP explained how the old system helped a parent with care establish maintenance liability:

The hearings eventually revealed that the other parent had assets to the value of some £800,000 from the sale of various businesses and from inheritance, and found that he could regularly pay CSA maintenance to support their teenage son.<sup>155</sup>

79. The Minister told us that DWP had recently set up a specialist Financial Investigations Unit (FIU) to work on both CMS and CSA cases. She confirmed that the FIU could take independent action, even in cases where HMRC did not intend to pursue a case.<sup>156</sup> It can request information direct from financial institutions, prosecute people for failing to provide accurate information and refer tax frauds to HMRC.<sup>157</sup> The Minister said the FIU was being “beefed up” from 35 to 50 staff because of the number of PWCs raising concerns.<sup>158</sup> The Department told us that:

where a non-resident parent has a lifestyle which it does not appear could be supported purely from their earnings, we are confident that such funds will be identified through the “unearned income” variation ground in the CMS, providing the paying parent has not failed to disclose any other sources of income.

They argued that this approach removed the need for “subjective decision-making” necessary in the old scheme.

80. James Pirrie told us that, ultimately, the reinstatement of the inappropriate lifestyle challenge was necessary to address NRPs diverting income: “You can’t hide lifestyle but you can definitely hide capacity to pay behind a tax return”.<sup>159</sup> He gave an example of an NRP who could keep money in an offshore trust and then borrow from the trust.<sup>160</sup> He told us that capacity to investigate complex cases had been diminished with the loss of the lifestyle challenge:

We could go on appeal and we could say “His tax return may show small income, but his lifestyle is this or his assets are that”. We could have all of that taken into account and now we cannot. You are now stuck with a tax return. For those who have complex finances it is very easy to have a very low figure.<sup>161</sup>

81. We heard that consent orders could be granted by courts to determine appropriate child maintenance. These would, however, could be superseded by the CMS after 12 months should one of the parents make an application. If the CMS, relying on tax returns,

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154 *Ibid*

155 [HC Deb, 19 April 2017, Col 678](#)

156 [Q99](#) (Caroline Nokes)

157 [DWP, follow-up evidence](#), 9 January 2017

158 [Q95](#) (Caroline Nokes)

159 [Q66](#) (James Pirrie)

160 [Q50](#) (James Pirrie)

161 [Q49](#) (James Pirrie)



had access to less information about the financial circumstances of the NRP than the court this could result in very substantial reductions in child maintenance awards.<sup>162</sup> James Pirrie gave one example:

I brought a mother with me today who started with a court order of £3,500 a month. She has now had the father turn the CMS to £11 a week, so we have gone from £3,500 a month to £11 a week.<sup>163</sup>

A PWC told us:

I do not understand how we as parents can spend thousands of pounds going to court to get a court order, for it to be so easily overturned after 12 months, by the non-resident parent (NRP) simply coming to the CMS. In my case this happened the week my ex husband re married. My £800 a month court order was overturned as his self employed business had only given him an income of 27,000 per annum and my payments were immediately cut to £316 per month. I had to sell my home and move myself and my children to a new home, to make up for the short fall, taking out equity of the house to live on as my income is not very high.<sup>164</sup>

**82. Most parents want to provide for their children. Unfortunately some want to avoid paying fair child maintenance and disguise their incomes, through self-employment loopholes, creative accounting or fraudulent tax returns, in order to do so. Such cases are often not a high priority for HMRC. We therefore welcome the creation and expansion of the DWP Financial Investigations Unit. But the use of tax return information alone will not be sufficient to solve this problem. Some unscrupulous parents are adept at hiding income to minimise their liability. It is far harder, however, to hide assets or a lifestyle inconsistent with their declared income. *We recommend that the Department reinstate provisions for parents to challenge child maintenance awards on the grounds of assets and lifestyle inconsistent with income.***

**83. Parents can currently apply to the CMS for a maintenance calculation which supersedes a court order that has been in place over 12 months. This has provided opportunity for some non-resident parents to replace maintenance payments that accurately reflect their means with those that greatly underestimate them. *We recommend that, when an application for an assets or lifestyle variation has been made and a tribunal or court ordered higher maintenance payments than would arise from a standard CMS calculation, the higher payments should apply until the variation is dismissed.***

**84. Child maintenance cheats are very often tax cheats too. There is considerable shared interest for DWP and HMRC in bringing such people to justice. It ought not to be beyond the two Departments to share resources and expertise in the interests of retrieving the monies owed. *We recommend that a small HMRC investigation team be embedded in the Financial Investigations Unit to work in tandem with the CMS.***

162 [Q51](#) (Jane Allbeson)

163 [Q49](#) (Jane Allbeson)

164 Name Withheld ([CHM0016](#))

## Conclusion

85. Throughout our inquiry, witnesses agreed that the ideal outcome for separated parents and their children was a fair and consistent payment of maintenance agreed by both parents. The Government is right to encourage this co-operation. Many separated parents are, however, unable to make suitable arrangements without support or even enforcement. In some cases a parent may have suffered domestic abuse and it will not be safe for them to continue contact with their abuser. In others a non-resident parent may be determined to selfishly avoid their parental responsibilities, passing on financial costs to the parent with care and, in the form of benefit payments, the taxpayer. But in cases of avoidance it is above all the children who ultimately lose out. The Government must ensure that the CMS is working so that does not continue to happen. The implementation of our recommendations will help to achieve this goal.

## Conclusions and recommendations

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1. Parents should take responsibility for supporting their children and the Government is right to prefer that parents organise maintenance with as little statutory involvement as possible. The transition of cases into the new system offers an opportunity for a fresh start and many parents with existing CSA cases have opted not to enter the CMS. There is a balance, however, between starting afresh in a new system and ensuring payments to support children are made. In cases where the non-resident parent has a long history of non-compliance it is not fair or constructive to force parents with care to start the process from scratch. This currently happens even when there is an active CSA investigation or enforcement action. *We recommend that case histories of prolonged under-payment of child maintenance be transferred automatically from CSA to CMS. In instances where the CSA case includes ongoing investigatory or enforcement action, we recommend parents with care be permitted to opt to be placed immediately in the Collect and Pay scheme on joining the CMS.* (Paragraph 17)
2. The Government state that the statutory scheme is available to those who genuinely need it. Some parents who clearly need the system are, however, unable to afford the application fee. This is leading some parents to give up on pursuing maintenance payments altogether. *We recommend that CMS applicants on means tested benefits be exempt from the £20 application fee.* (Paragraph 33)
3. We find it difficult to justify charging an upfront CMS application fee to parents with care to transition legacy cases with a prolonged history of non-payment, especially as such cases appear a low priority for enforcement. These parents, and their children, have been failed by their ex-partners and failed by the system. (Paragraph 34)
4. Charges for using Collect and Pay are discouraging some parents who require the service. In many cases a parent with care has no choice yet 4% is deducted from their payments. In addition, parents report a reluctance by CMS staff to allow them to move onto the scheme and a readiness to move cases out of Collect and Pay even when non-resident parents have failed to make regular payments in full. It is far from evident that the charges and criteria used for determining whether Collect and Pay can be used are acting in the best interests of children. *The Government should conduct a review of whether Collect and Pay charges and access criteria are achieving the intended outcome of increasing the number of more collaborative arrangements.* (Paragraph 35)
5. The Department's own survey of CSA clients found high levels of domestic abuse. The evidence we received shows that abuse, control and coercion can continue even when a relationship has ended, and can be exerted by either parent. We welcome the waiver of the £20 fee for domestic abuse survivors but further changes are required to make the system safe and effective for survivors of domestic abuse and, ultimately, their children. A system that leaves victims with the choice of re-engaging with their abuser and risking further coercion and control, or declining money owed to them for their children, is clearly not working. (Paragraph 43)
6. *All frontline CMS staff should receive training on domestic abuse, including understanding abusive behaviour and demonstrating sensitivity in dealing with its*

*victims. Those victims are often reluctant to admit to having been abused, so CMS staff should also be trained in identifying abuse. In registered cases of domestic violence, or where CMS staff have identified it themselves, parents with care should be able to proceed directly to the Collect and Pay service and should not be charged. As part of its review of Collect and Pay charges, the Department should consider the impact of charges for the non-resident parent in cases of domestic abuse. (Paragraph 44)*

7. The foundation of the Government's approach to child maintenance is to encourage separated parents to come to voluntary agreements where possible and, where such agreements are not possible, provide a statutory system as a safety net. It is apparent, however, that many families may be slipping through that net. Such families are disproportionately likely to be in the most vulnerable groups. The Government's existing means of monitoring the quantity and success of family-based arrangements are, however, inadequate to properly understand the causes and consequences of the trend. In seeking to encourage separated parents to take more responsibility for their children, the Government must not abdicate its own duties to them. Monitoring must be improved to establish the extent to which parents are adequately supported in making child maintenance choices and whether incentives intended to result in better support for children are in fact having the opposite effect. Only then can it have confidence in meeting its commitment to increase the number of children receiving maintenance. (Paragraph 52)
8. *We recommend the Department establish a CMS stakeholder group, including parents with care, non-resident parents, charities such as Gingerbread and Families Need Fathers, and advisory organisations such as Citizen's Advice. This group should review the effectiveness of the CMS, recommend improvements to its operation and consider its response to wider social and economic trends such as the increase in self-employment. (Paragraph 53)*
9. We deplore the non-payment of child maintenance, which can cause financial difficulty and immense stress to the parent with care, ultimately to the detriment of the child. We understand that it is not cost-effective for the Government to pursue every case of arrears. Money owed still, however, rightly belongs to the parent with care to support their children and CMS has made no clear statement of which cases it intends to take up. This can cause uncertainty and disruption for parents seeking recompense. Furthermore, failure to demonstrate that it is taking seriously the worst legacy cases of prolonged under-payment risks undermining trust in the new system. *We recommend the Department clearly set out in response to this report the criteria it uses for prioritising the collection of arrears, including any time or value thresholds, and how it intends to approach and resource tackling each category of arrears, appreciating that even small payments can be of huge value to vulnerable families. (Paragraph 61)*
10. We understand the Government's rationale in favouring arrears cases that relate to children with current support needs. It is, however, unclear whether the Department intends ever to pursue any arrears-only cases. It is unfair to leave those parents still owed for historic underpayments in the dark. *We recommend the CMS clarify its stance on this and inform parents with care if their arrears-only case will not be pursued. (Paragraph 62)*

11. *Children from previous relationships and children from new relationships should be of equal importance to parents. We recommend the DWP set out, in its response to this report, how it intends to ensure that all children are given fair and equitable treatment in cases where CMS intervention is necessary. (Paragraph 63)*
12. Parents do not themselves have recourse to the courts to enforce child maintenance payments. Instead they rely on the CMS to act on their behalf. The CMS has extensive enforcement powers and can take action once a single payment is missed. It is, however, currently tentative in deploying those powers. This enables non-resident parents to get away with not making appropriate contributions to their children's upbringing. It also signals to other non-resident parents that they may well be able to do the same. Faith in the statutory child maintenance system is fundamental to its effectiveness. The CMS ought to strike fear into would-be evaders of parental responsibility. It must take a stronger approach to enforcement, comparable with the Government's approach to other areas of financial liability such as benefit fraud or tax. *We recommend the CMS adopt a presumption in favour of enforcement action when a payment has been missed, and proceed unless there is either evidence of a valid reason why or a credible reparative payment plan is in place. (Paragraph 70)*
13. Most parents want to provide for their children. Unfortunately some want to avoid paying fair child maintenance and disguise their incomes, through self-employment loopholes, creative accounting or fraudulent tax returns, in order to do so. Such cases are often not a high priority for HMRC. We therefore welcome the creation and expansion of the DWP Financial Investigations Unit. But the use of tax return information alone will not be sufficient to solve this problem. Some unscrupulous parents are adept at hiding income to minimise their liability. It is far harder, however, to hide assets or a lifestyle inconsistent with their declared income. *We recommend that the Department reinstate provisions for parents to challenge child maintenance awards on the grounds of assets and lifestyle inconsistent with income. (Paragraph 82)*
14. Parents can currently apply to the CMS for a maintenance calculation which supersedes a court order that has been in place over 12 months. This has provided opportunity for some non-resident parents to replace maintenance payments that accurately reflect their means with those that greatly underestimate them. *We recommend that, when an application for an assets or lifestyle variation has been made and a tribunal or court ordered higher maintenance payments than would arise from a standard CMS calculation, the higher payments should apply until the variation is dismissed. (Paragraph 83)*
15. Child maintenance cheats are very often tax cheats too. There is considerable shared interest for DWP and HMRC in bringing such people to justice. It ought not to be beyond the two Departments to share resources and expertise in the interests of retrieving the monies owed. *We recommend that a small HMRC investigation team be embedded in the Financial Investigations Unit to work in tandem with the CMS. (Paragraph 84)*
16. Throughout our inquiry, witnesses agreed that the ideal outcome for separated parents and their children was a fair and consistent payment of maintenance agreed by both parents. The Government is right to encourage this co-operation. Many

separated parents are, however, unable to make suitable arrangements without support or even enforcement. In some cases a parent may have suffered domestic abuse and it will not be safe for them to continue contact with their abuser. In others a non-resident parent may be determined to selfishly avoid their parental responsibilities, passing on financial costs to the parent with care and, in the form of benefit payments, the taxpayer. But in cases of avoidance it is above all the children who ultimately lose out. The Government must ensure that the CMS is working so that does not continue to happen. The implementation of our recommendations will help to achieve this goal. (Paragraph 85)

# Formal Minutes

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**Wednesday 26 April 2017**

Members present:

Rt Hon Frank Field, in the Chair

Heidi Allen	James Cartlidge
Mhairi Black	Richard Graham
Ms Karen Buck	Craig Mackinlay

Draft report (*Child Maintenance Service*), proposed by the Chair, brought up and read.

*Ordered*, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 85 read and agreed to.

Summary agreed to.

*Resolved*, That the Report be the Fourteenth Report of the Committee to the House.

*Ordered*, That the Chair make the Report to the House.

*Ordered*, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

[The Committee adjourned

## Witnesses

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The following witnesses gave evidence. Transcripts can be viewed on the [inquiry publications page](#) of the Committee's website.

### Wednesday 16 November 2016

*Question number*

Parents 1, 2, 3 and 4

[Q1–33](#)

**Janet Allbeson**, Senior Policy Advisor, Gingerbread, **Michael Lewkowicz**, Business Manager, Families Need Fathers, and **James Pirrie**, Board Member of Resolution and Director of Family Law in Partnership

[Q34–72](#)

### Wednesday 7 December 2016

**Caroline Nokes**, Parliamentary Under-Secretary of State for Welfare Delivery, Department for Work and Pensions, and **Tom McCormack**, Director, Child Maintenance Group, Department for Work and Pensions

[Q73–124](#)



## Published written evidence

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The following written evidence was received and can be viewed on the [inquiry publications page](#) of the Committee's website.

CHM numbers are generated by the evidence processing system and so may not be complete.

- 1 Anonymous ([CHM0016](#))
- 2 Anonymous ([CHM0001](#))
- 3 Anonymous ([CHM0002](#))
- 4 Anonymous ([CHM0003](#))
- 5 Anonymous ([CHM0005](#))
- 6 Anonymous ([CHM0006](#))
- 7 Anonymous ([CHM0007](#))
- 8 Anonymous ([CHM0008](#))
- 9 Anonymous ([CHM0009](#))
- 10 Anonymous ([CHM0010](#))
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- 68 Anonymous ([CHM0094](#))
- 69 Anonymous ([CHM0096](#))
- 70 Anonymous ([CHM0097](#))
- 71 Anonymous ([CHM0099](#))

- 72 Associate Professor Bruce Smyth ([CHM0069](#))
- 73 Bryson Purdon Social Research LLP ([CHM0029](#))
- 74 Child Poverty Action Group ([CHM0072](#))
- 75 Department for Work and Pensions ([CHM0025](#))
- 76 Department for Work and Pensions ([CHM0103](#))
- 77 Dr Caroline Lucas ([CHM0075](#))
- 78 Dr Christine Davies ([CHM0079](#))
- 79 Dr Christine Davies ([CHM0098](#))
- 80 Durham Legal Services UK ([CHM0065](#))
- 81 Families need fathers ([CHM0105](#))
- 82 Families Need Fathers ([CHM0084](#))
- 83 FNF Both Parents Matter Cymru ([CHM0081](#))
- 84 Gingerbread ([CHM0090](#))
- 85 Gingerbread ([CHM0095](#))
- 86 HMRC ([CHM0104](#))
- 87 Money Advice Service ([CHM0083](#))
- 88 Mothers' Union ([CHM0030](#))
- 89 Mumsnet ([CHM0080](#))
- 90 Name Withheld ([CHM0100](#))
- 91 National Centre for Social Research ([CHM0059](#))
- 92 One Parent Families Scotland ([CHM0089](#))
- 93 PCS Union ([CHM0018](#))
- 94 Professor Gillian Douglas ([CHM0033](#))
- 95 Professor Stephen McKay ([CHM0077](#))
- 96 Reader in Social Policy Christine Skinner ([CHM0073](#))
- 97 Three parents with care ([CHM0102](#))
- 98 Unnamed MP ([CHM0101](#))
- 99 Walthamstow Single Parents ([CHM0067](#))
- 100 Women's Aid ([CHM0056](#))

## List of Reports from the Committee during the current Parliament

All publications from the Committee are available on the [publications page](#) of the Committee's website.

The reference number of the Government's response to each Report is printed in brackets after the HC printing number.

### Session 2015–16

First Report	Pension freedom guidance and advice	HC 371 (Cm 9183)
Second Report	Welfare to work	HC 363 (HC 720)
Third Report	A reconsideration of tax credit cuts	HC 548
Fourth Report	Benefit delivery	HC 372 (HC 522)
Fifth Report	The local welfare safety net	HC 373 (HC 924)
Sixth Report	Understanding the new state pension – interim report on pension statements	HC 550
Seventh Report	Communication of state pension age changes –interim report	HC 899
Eighth Report	Communication of the new state pension	HC 926 (HC 229)
Ninth Report	Support for the bereaved	HC 551 (HC 230)
Tenth Report	In-work progression in Universal Credit	HC 549 (HC 585)
Eleventh Report	Automatic enrolment	HC 579 (HC 610)
First Special Report	Progress with automatic enrolment and pension reforms: Government and Financial Conduct Authority responses to the Committee's Fourth Report of Session 2014–15	HC 375
Second Special Report	Improving Access to Work for disabled people: Government response to the Committee's Second Report of Session 2014–15	HC 386
Third Special Report	Benefit Sanctions: Beyond the Oakley Review: Government Response to the Committee's Fifth Report of Session 2014–15	HC 557
Fourth Special Report	Pension freedom guidance and advice: Financial Conduct Authority Response to the Committee's First Report of Session 2015–16	HC 719
Fifth Special Report	Welfare-to-work: Government Response to the Committee's Second Report of Session 2015–16	HC 720
Sixth Special Report	The local welfare safety net: Government Response to the Committee's Fifth Report of Session 2015–16	HC 924

**Session 2016–17**

First Report	BHS	HC 54
Second Report	The future of Jobcentre Plus	HC 57 (HC 965)
Third Report	Intergenerational fairness	HC 59 (HC 964)
Fourth Report	Concentrix	HC 720 (HC 1006)
Fifth Report	Support for ex-offenders	HC 58 (HC 1044)
Sixth Report	Defined benefit pension schemes	HC 55
Seventh Report	Disability employment gap	HC 56
Eighth Report	Response to the Government's consultation on corporate governance reform	HC 995
Ninth Report	Employment opportunities for young people	HC 586
Tenth Report	Future of supported housing	HC 867
Eleventh Report	Citizen's income	HC 793
Twelfth Report	Victims of modern slavery	HC 803
Thirteenth Report	Self-employment and the gig economy	HC 847
First Special Report	Communication of the new state pension: Government Response to the Committee's Eighth Report of Session 2015–16	HC 229
Second Special Report	Support for the bereaved: Government Response to the Committee's Ninth Report of Session 2015–16	HC 230
Third Special Report	Benefit delivery: Government Response to the Committee's Fourth Report of Session 2015–16	HC 522
Fourth Special Report	In-work progression in Universal Credit: Government Response to the Committee's Tenth Report of Session 2015–16	HC 585
Fifth Special Report	Automatic enrolment: Government Response to the Committee's Eleventh Report of Session 2015–16	HC 610
Sixth Special Report	Intergenerational fairness: Government Response to the Committee's Third Report of Session 2016–17	HC 964
Seventh Special Report	The future of Jobcentre Plus: Government Response to the Committee's Second Report of Session 2016–17	HC 965
Eighth Special Report	Concentrix: Government Response to the Committee's Fourth Report of Session 2016–17	HC 1006
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